

**KATE McKENNA, AICP**  
Executive Officer

**MINUTES OF THE**  
**LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY**  
*Adopted on August 21, 2008*

**Special Meeting**  
**Monday, July 3, 2008, 3:00 p.m.**

**Board of Supervisors Chambers**  
**Monterey County Government Center**  
**168 West Alisal, First Floor**  
**Salinas, California**

The meeting of the Local Agency Formation Commission (LAFCO) of Monterey County was called to order, by Chair Donohue at 3:03 p.m. in the LAFCO of Monterey County Conference Room. Chair Donohue led the Pledge of Allegiance.

**ROLL CALL**

**Members Present**

Commissioner Donohue, Chair (*City Member*)  
Commissioner Salinas, Vice-Chair (*County Member*)  
Commissioner Calcagno (*County Member*)  
Commissioner Darington, Alternate (*Public Member*)  
Commissioner DiMaggio (*Public Member*)  
Commissioner McGowan (*Special District Member*)  
Commissioner Perkins (*Special District Member*)  
Commissioner Rubio (*City Member*)

**Members Not Present, Presence Not Required**

Commissioner Armenta, Alternate (*County Member*)  
Commissioner Gourley, Alternate (*City Member*)

**Staff Present**

Kate McKenna, AICP, Executive Officer  
Thom McCue, AICP, Senior Analyst  
Leslie Girard, LAFCO General Counsel  
Richard Egger, LAFCO Special Counsel – Via Telephone for Closed Session, Carmel Valley  
Incorporation Proposal (*LAFCO File No 03-10*)  
Jennifer Harder, LAFCO Special Counsel – Via Telephone for Closed Session, Ocean View  
Plaza CSD (*LAFCO File No 05-14*)  
Rachelle Jones, LAFCO Clerk

**Item 4: Minutes:**

**4.a Consider and Approve Draft Minutes of June 9, 2008 Special LAFCO Meeting.**

Upon Motion of Chair Donohue, there being no objection, minutes of the June 9, 2008 special LAFCO meeting, were unanimously approved.

**4.b Accept Meeting Notes of June 9, 2008 LAFCO Budget and Finance Committee Meeting.**

Upon Motion of Chair Donohue, there being no objection, meeting notes of the June 9, 2008 LAFCO Budget and Finance Committee meeting, were unanimously accepted.

**Item 5: Closed Session**

**Pursuant to Government Code Section 54956.9 (a) – Existing Litigation**

**The Commission Conferred with Special Legal Counsel Regarding the Following Items:**

- a. “Carmel Valley Forum, Inc. (Petitioner) vs. Local Agency Formation Commission of Monterey County (Respondent),” Superior Court Case Number M83394**
- b. “Save Our Waterfront Committee VS. City of Monterey; City Council of the City of Monterey; Local Agency Formation Commission of Monterey County, et al., Respondents & Defendants: Cannery Row Marketplace, LLC, et al., Real Parties in Interest,” Superior Court Case Number M78054**

The meeting was called into closed session by Chair Donohue.

Chair Donohue reopened the meeting from closed session, and deferred to LAFCO Counsel Girard to report the following action:

The Commission unanimously conditionally approved a settlement agreement with Carmel Valley Forum with respect to the litigation concerning the Carmel Valley Incorporation proposal (*LAFCO File #03-10*). Conditioned upon an agreement to extend the final date by which the Commission must act on the incorporation to December 1, 2008, to be discussed with the Carmel Valley Forum proponents.

**Item 6: Old Business**

**a. Carmel Valley Incorporation Proposal (*LAFCO File No. 03-10*)**

- i. Report from Closed Session (if any)**
- ii. Discussion**
- iii. Consider taking the following potential actions:**
  - (a) Approve a work program and schedule, and direct the Executive Officer to proceed in its implementation;**
  - (b) Approve an Agreement for Professional Services with Economic & Planning Systems for the purpose of updating the Comprehensive Fiscal Analysis for the Incorporation of Carmel Valley, for an amount not to exceed \$27,500, and authorize the Executive Officer to execute the agreement;**
  - (c) Approve a resolution approving Amendment #3 of the Fiscal Year 2007-2008 budget; and**
  - (d) Approve a resolution approving Amendment #1 of the Fiscal Year 2008-2009 budget.**

The staff report for this item was distributed to the public.

Executive Officer McKenna provided staff report with PowerPoint presentation outlining the report.

Chair Donohue opened this item for public comments.

#### Public Comments

Frank Lunding asked questions about the details of the litigation settlement. Nick Chiulos, County of Monterey - Administrative Office, provided information about the Revenue Neutrality Agreement between the County of Monterey and the Carmel Valley Forum. Kathy Kretchmer, Monterey County Special Counsel, requested that the work program for the Carmel Valley Incorporation Proposal allow adequate time for discussion of the Revenue Neutrality Agreement between the County and Incorporation proponents. John Dalessio of Carmel Valley spoke against delaying the incorporation process. Paul Ingraham of Carmel Valley Village spoke about the incorporation process.

Chair Donohue closed the public comments period for this item.

#### Commissioner Comments and Action

Commission discussed the Carmel Valley Incorporation proposal process including the CFA update and the Revenue Neutrality Agreement between the County of Monterey and proponents.

Upon Motion of Commissioner McGowan, seconded by Commissioner DiMaggio, the following actions were unanimously approved, contingent upon the Forum's approval of the settlement agreement incorporating LAFCO's changes:

- The work program and schedule with the date extended to no later than December 1, 2008 and with direction to Executive Officer to proceed in its implementation;
- Agreement for Professional Services with Economic & Planning Systems for the purpose of updating the Comprehensive Fiscal Analysis for the Incorporation of Carmel Valley, for an amount not to exceed \$27,500, and authorize the Executive Officer to execute the agreement;
- A resolution approving Amendment #3 of the Fiscal Year 2007-2008 budget; and
- A resolution approving Amendment #1 of the Fiscal Year 2008-2009 budget.

#### **Item 7: Adjournment**

On motion of Chair Donohue, there being no objections, the meeting was unanimously adjourned at 5:03 p.m. to the next regular LAFCO Meeting to be held on Thursday, August 21, 2008 at 4:00 p.m. in the Board of Supervisors Chambers, 168 W. Alisal St., First Floor, Salinas, California

Respectfully Submitted,

Rachelle Jones  
LAFCO Clerk